A Study of HR Practices Adopted by E-Commerce Companies in India

A Synopsis

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Introduction

The e Commerce sector has seen unprecedented growth in 2014. The growth was driven by rapid technology adoption led by the increasing use of devices such as smartphones and tablets, and access to the internet through broadband, 3G, etc, which led to an increased online consumer base. Furthermore, favoured demographics and a growing internet user base helped aid this growth. In terms of highlights, the growth shown by homegrown players such as Flipkart and Snapdeal and the huge investor interest around these companies displayed the immense potential of the market. With the entry of e Commerce behemoths such as Amazon and Alibaba, the competition is expected to further intensify. Both these international players come with deep pockets and the patience to drive the Indian e Commerce market. Also, their strong domain knowledge and best practices from their international experience give them an additional edge. Additionally, these companies have been part of markets where they have seen the e Commerce market evolve and are aware of the challenges and strategies to address issues thereof.

Indian companies realise this, and are therefore aiming to continue their focus on expanding sellers and selection on their platforms, innovating on multiple customer touch points, and providing seamless and rapid delivery services in order to compete with the international entities. Competition is expected to continue, with these e Commerce companies experimenting with different ways to attract customers and increase online traffic. The Indian government's ambitious Digital India project and the modernization of India Post will also affect the e Commerce sector. The Digital India project aims to offer a one-stop shop for government services that will have the mobile phone as the backbone of its delivery mechanism. The programme will give a strong boost to the e Commerce market as bringing the internet and broadband to remote corners of the country will give rise to an increase in trade and efficient warehousing and will also present a potentially huge market for goods to be sold.

For India Post, the government is keen to develop its distribution channel and other e Commerce related services as a major revenue model going ahead, especially when India Post transacted business worth 280 crore INR in the cash-on-delivery (CoD) segment for firms such as Flipkart, Snapdeal and Amazon. Both these projects will have significant

impact on increasing the reach of e Commerce players to generally non-serviceable areas, thereby boosting growth.

India's overall retail opportunity is substantial, and coupled with a demographic dividend (young population, rising standards of living and upwardly mobile middle class) and rising internet penetration; strong growth in e Commerce is expected. From an investment perspective, the market is a primarily minority stake market, with maximum traction in early-stage deals. Such early stage funding will help companies develop a strong foundation to start from. With such strong market prospects and an equally upbeat investor community, we look forward to many more e Commerce companies from India entering the coveted billion-dollar club.

Objectives:

Objectives of the research work are as follows:

(1) To identify and study the major HR practices followed by e commerce companies.

(2) To identify the evolution of e commerce in India.

(3) To identify and study the problems of HR in e commerce companies.

(4) To compare the HR Practices of three major e-commerce companies in India

Review of Literature

The review of the literature forms a very essential part of any research work. Before starting any research topic, the researcher must know till what extend the past studies has been done. It also entails how your research must focus on the existing problem statement to optimize the already existing solutions. It not only justifies the research methodology which he/she intends to undertake, but also helps to have introspection how prepared you are to complete the intended research. This is very helpful in generating new ideas for the problem statement and avoids duplicating the work with other's research, hence avoid chances of Plagiarism. In the broader terms, it has the following advantages.

- It helps the concerned authorities to know that the researcher has done lot of study of the existing knowledge of the chosen subject.
- It also helps the concerned authorities to know that the researcher has done has a deep understanding of the topic.

According to Ketlley and Reilly (2003), computerized human resource information system consists of a fully integrated, organization wide network of HR-related data, information, services, databases, tools and transactions. Technology has only recently developed in a way that enables e-HRM to make its mark, especially the introduction of corporate intranets and web-enabled HRIS. The nature of the development path, however, varies considerably from organization to organization.

Kavanagh and Thite (2008) reported that to improve effectiveness and efficiency in terms of service delivery, cost reduction and value-added services, HR departments came under pressure to harness technology that was becoming cheaper and more powerful.

Sanayei and Mirzaei (2008) in empirical study aim at providing an explanation of e-HRM and introducing its activities and tools, after the investigation, the effect of various independent variables such as job satisfaction, professional commitment, and organizational commitment on the effectiveness of HRM as a dependent variable. E-HRM tools such as intranet, extranet, HR portals; integrated HR suite software is rarely used, however according to expert's judgment if they are used, they would have a positive effect on HRM output in Iranian organizations.

Florkowski and Olivas-Lujan (2006) examines the diffusion patterns of eight information technologies that are transforming HR service-delivery in North America and Europe: HR functional applications, integrated HR suites, IVR systems, HR intranets, employee and manager self-service applications, HR extranets, and HR portals. The overall diffusion was best characterized as an outgrowth of internal influences, fuelled primarily by contacts among members in the social system of potential adopters. Companies in the 21st century can be broadly said to have adopted at least one of the above mentioned e-HRM technologies.

Foster et al. (2004) describe that the application of the internet to the Human Resource function (e-HR) combines two elements; one is the use of electronic media while the other is the active participation of employees in the process.

Bondarouk, T. et al. (2004) states organisations need to embrace the e-HRM revolution which relies on cutting edge information technology, ranging from internet-enabled human resources information systems (HRIS) to corporate intranets and portals.

According to Lengnick-Hall, & Moritz, (2003) the final stage of total digitalization in the 1990s arrived when HR professionals and ICT specialists joined forces and developed electronic information systems that moved HR decision making from drawers to computer.

As per Watson Wyatt‘s (2002) survey of HR technology issues revealed that a wide variety of HR and payroll systems are being used today. According to the results of the study, web technology is the predominant method for delivering HR-related services to employees and managers, and offers significant opportunities to improve communication, knowledge sharing and HR delivery systems.

In the views of Wright**,** M. et al. (2001) e-HRM refers to the processing and transmission of digitized information used in HRM, including text, sound and visual images, from one computer to another electronic device. As stated by Doughty (2000), today, within the HR software market there are a myriad of HR systems, payroll, training administration, 360 degree feedback, psychological testing and competency software tools operating in

their own software features.

According to Florkowski and Olivas-Luján (2006) HRFA are software-enabled automation of discrete tasks and responsibilities to the HR function. Application software is a defined subclass of computer software that employs the capabilities of a computer directly to a task that the user wishes to perform. An HR functional application implies software for a specific activity or group of activity. Most common functional applications available for the different tasks are, benefits administration, personnel tracking and payroll, Recruitment, Time and attendance, Payroll, Benefits administration, Performance appraisal, Industrial relations advisory, Occupational health and safety module.

As per Weidenhammer (2013) an intranet creates a single, secure repository for all confidential human resources information and processes. It can provide an easy-to-navigate environment that is accessible by all employees, regardless of where they are located or which computing platform they are using. Employees have immediate access to the latest information. An Intranet can help employees quickly find the information they need. Employees aren‘t overwhelmed by cumbersome manuals, and they save time searching because they don‘t have to wade through pages of irrelevant information. To make things even more efficient, employees can enter data online. This data can be automatically integrated into back-end information systems, so it can be validated on input, eliminating errors. In addition, the human resources staff does not have to re-enter employee data, freeing up time for other more important tasks.

Accordig to Florkowski and Olivas-Luján (2006) HRIA is private computer network that provides employees with direct access to link internal database and/ or a seamless interface with the internet. It is a network designed to organize and share information and carry out digital business transactions within a company. An intranet employs applications associated with the internet such as web pages, browsers, e-mails, newsgroups and mailing lists but is accessible only to those within the organization. HR Intranets offer the greatest innovation to HR departments since the advent of the desktop computer.

As per Sanayei and Mirzaei (2008), as intranet usage proliferated worldwide

opportunities emerged to utilize e-mail and electronic-form software to reduce the costs of data entry for payroll, benefits administration, training administration etc.

Rodgers, K. (2009) the term HR intranet means different things to different people, but it‘s really about using your internal IT network to communicate and collaborate. An HR intranet usually provides self-service access to your central HR systems so managers and staff can input personal data and carry out transactions online, such as booking training courses. Some firms also have sophisticated employee portals on the front – a sort of internal home page where employees go to log on to different IT systems and get information. HR self-service capability is typically provided as an add-on to your HR management system. HR intranet facilitates improvement in data quality, empowerment of employee, reduction in paper consumption, streamlining process, rapid dissemination of valuable information on a wide variety of topics, enables employee to perform various task, connects employee and standardizes HR practices.

As per Ulrich, (1997), while attempting to make strategic changes within the human resource function, HR professionals must still deliver good HR services to their stakeholders who include employees and managers. One of the most important fundamental principles in managing human resources is fostering the employment relationship so that employees may feel an attachment to their work and contribute willingly to the success of the organization.

As per Keebler & Rhodes (2002), there is agreement on the fact that the employees of an organization are just as important as its customers, and therefore need to be kept satisfied and motivated. This can be achieved to an extent by improving HR service delivery.
According to Ketlley P, and Reilly P (2003), before embarking on e-HRM, organizations should review and optimize their business processes. This may be a case of major process redesign, or a more tactical exercise tackling areas of concern. Following a process review, a common next step is to introduce a form of self service. This is likely to involve employee self service, where staff can access their personal record and update it or add new information.

Keebler & Rhodes (2002) go on to discuss how, while improving HR efficiencies is the major focus in e-HRM technology design, it should also assist in making e-HRM

technology more user-friendly. This should improve the service experience of the managers and employees. In this way, a client service improvement of the HR system can be achieved.

Florkowski and Olivas-Luján (2006) mentions ESS is a software-enabled set of HR transactions that can be initiated and completed without direct involvement of HR staff. It is a web-based application tool that provides employees with access to their personal records and their payroll details. It enables employee self-service and provides access to a comprehensive employee database. The employee database acts a centralized repository of vital employee related information available to HR, employees and managers. Its inherent employee self-service capabilities ensure that this data remains current without tedious data entry by HR. The employee self service is the base on which all other functional modules can be added to create a comprehensive employee self service based HR system. .The Employee Self Service pay an important role in working time and schedule, personal information, training and performance management, life events, benefits, careers, time off from work, with ESS employee can view and access pay slips, summary of year‘s earnings and deductions, loan statements, PF statements, reimbursement statement, income tax statement, IT declaration and IT calculator, reimbursement claim workflow, ticketing, leave workflows.

Research Methodology

This pertains to the collection of data and information so that they may be analyzed and right decisions on the problem statement may be made. This may include collecting the data by the way of interviews, surveys, newspapers etc. What needs to be kept in mind is, which data is vital for the research and which data is not.

The sample which is collected must be nicely segregated in Primary and Secondary data. Here how wise the researcher is, that plays a pivotal role. He/She must be able to wisely analyze and segregate what data must be used as Secondary and Primary.

Primary data is the data that the researcher has collected for the sole of his study of problem statement. It is collected after the researcher has studied a lot of secondary research that has been done on the study problem. This is collected by questionnaires, interviews, by the researchers own observations etc. The advantages of collecting primary data are as follows-

- The study of the problem statement becomes better.
- The data collected is very recent and specific.
- The collector is the owner of the data collected.

Secondary date pertains to the data which is read or collected by the researchers for the sole purpose to collect 'Good To Know' information. This kind of data is collected by someone else, may be for some other purpose, but may help in the study of the problem statement. This could be collected by censuses survey, information collected by government departments, organizational records and data that was originally collected for other research purposes. The advantages of collecting secondary data are as follows-

- Saves time.
- Easily accessible.
- Saves money as easy to get.
- Gives a broader view of the issue prevailing.

In this study, we aim to study the HR practices adopted by e commerce companies in India. We will try to identify the major HR practices followed by e commerce companies in India. We will also try to identify the evolution of e commerce in India and to identify

the problems of HR in e commerce companies in India. The primary data will be collected by the questionnaire which will be prepared and the secondary data will be collected by the already prevailing study.

Data will be obtained through in-depth interview of persons involved in e commerce companies. The selection of these persons will be done on the basis of years of experience in the related field.

- Sample Size- 50
- Location- New Delhi, India

Hypothesis

(1) Employees prefer e commerce organization than traditional organizations.

(2) HR policies are more flexible in e commerce companies.

(3) Knowledge of latest software technologies play an important role while recruitment in e commerce organisations.

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